



CORPORATE SOCIAL RESPONSIBILITY STRATEGY

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**POVERTY REDUCTION BY INCREASING
THE COMPETITIVENESS OF
ENTERPRISES (PRICE) IN BANGLADESH
CORPORATE SOCIAL RESPONSIBILITY STRATEGY**

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ACRONYMS

BSFF	Bangladesh Shrimp and Fish Foundation
CSR	Corporate Social Responsibility
TOT	Training of Trainer
USAID	United States Aid for International Development

1. CORPORATE SOCIAL RESPONSIBILITY

Over the last ten years, corporate social responsibility (CSR) has become increasingly important for corporations in all sectors. CSR refers to a company's ability to not only make a profit, but to be socially and environmentally responsible while doing so through transparent business practices, compliance with legal requirements, and respect for not only people, but communities and the environment. To do this, corporations focus on improving their local communities, creating safe and comfortable working conditions, promoting and encouraging ethical practices, and improving the environment.

More simply, CSR is allowing public interest to become a cornerstone of decision-making within a corporation. This is done by considering the triple bottom line: people, planet, and profit.

Chemonics has a long history of promoting and encouraging CSR with its partners and within its projects. We have a corporate ethics policy that is provided to all employees in the home and field offices (Annex A). We expect full compliance to our ethics policy at all levels of the organization while supporting our overall mission, to promote meaningful change to help people live healthier, more productive, and more independent lives.

Some examples of Chemonics' CSR activities include the following:

- In South Africa we worked towards creating public-private partnerships that had a goal of fair treatment and benefits in the labor force.
- In El Salvador we helped establish and strengthen private sector alliances to promote environmental and labor standards and/or certification schemes within selected supply chains. We are also working to provide environmental standards based on Global Gap and establishing an action plan and training for these standards to be introduced into agricultural commodity sourcing.
- We are inducing corporations to develop work place programs to train employees on HIV risk and prevention intervention in Vietnam.
- In the Philippines we are working with the private sector and Department of Labor to increase capacity to provide health benefits.

2. CSR AND PRICE

PRICE is a pro-poor project, supporting economic development with equity. PRICE does this by working with and supporting key economic agents. PRICE has adopted a value chain approach for enhancing the competitiveness of its target sectors. One of the key elements of this approach is to facilitate teamwork among value chain actors to maximize wealth creation across the chain (rather than profit maximization by any individual player). This newly created wealth is then shared among the actors with greater equity, increasing the sustainability of the value chain.

To ensure it is being socially responsible, PRICE takes a multi-layered approach with its partners in each sector. PRICE focuses on institutional strengthening, promoting the development of local skills and services, encouraging adherence to improved labor practices, and promoting responsible agriculture practices.

This approach includes the concept of business with equity – a key pillar of CSR that focuses on fair and transparent business practices. PRICE has adopted this approach to accomplish broad-based economic development through sector transformation, rather than only achieving its targets for sales, jobs, and investments.

PRICE works closely with its partners and sector players to ensure a comprehensive and strong understanding of responsible business behaviors. The project assists these groups in acquiring the skills and knowledge to practice such behaviors in their own organizations. Additionally, PRICE consistently models good corporate practices and ethical behaviors.

Each pillar of our CSR strategy is discussed in more depth in the subsequent section of this report.

3. INSTITUTIONAL STRENGTHENING

Since its inception, PRICE has worked with multiple groups in each of the sectors. Based on these interactions and partnerships, PRICE has realized that to further the success of these organizations and ensure their sustainability, capacity building is necessary. Often organizations suffer from inadequate access to information, low staff capacity, and general lack of technical or administrative knowledge required to conduct activities and manage an organization. PRICE has identified four areas of capacity building to focus on: information systems; bookkeeping and financial systems; management skills; and, association strengthening.

In these areas of capacity building, PRICE focuses on *people*. Each training, workshop, demonstration or partnerships is designed to build not only organizational but personal skills which can be transferred and used beyond the scope of the training. PRICE ensures gender balance to the extent that it is possible, and makes efforts to reach those often ignored by such efforts. To do so, PRICE has a minimum number of female beneficiaries it must meet with each activity/training. PRICE will also provide training to the managerial team of an association or organization, in addition to its members. This practice encourages the managerial teams to be accountable and to implement their learnings, and also ensures continued sustainability as leadership changes and organizations grow.

Information systems. One factor of success in organizations and entities, including local associations, is the access to the types of information required for decision-making. PRICE's experience with associations has clearly shown that data collection, processing, and information dissemination play key roles in enhancing the competitiveness of associations and ensuring their sustainability. For instance, PRICE is working with associations to develop databases and/or rosters of members that can be utilized quickly to contact members, disseminate information to members, and access other important information on participants quickly.

Bookkeeping and financial systems. Financial management is a key skill necessary in all organizations. The ability to financially plan for the future as well as to provide transparent and accurate accounting of funds to members is critical for growth,

sustainability, and integrity. PRICE not only supports and provides guidance on bookkeeping and financial management for associations, but also for their members. One way PRICE does this is by working with partner organizations to conduct financial reviews to ensure they are adhering to terms put forth in MOUs. Additionally, PRICE models ethical financial behavior by having clear and transparent financial management processes.

Management skills. Another critical skill required for growth, development, and sustainability in organizations is quality management. Without it, organizations often flounder and disband. To increase the overall competitiveness of partners and entities with which PRICE works, PRICE facilitates management skills training for them and for their members – future leaders of the organizations. These skills are transferable to employment and activities outside of the association or organization and benefit the participants in all aspects of their lives.

Association strengthening. PRICE promotes democratic decision-making in associations, for example by promoting the practice of electing officers. This practice encourages transparent decision-making and allows members to have a say in the future of their association. Additionally, PRICE encourages partner organizations and associations to conduct audits based upon their own workplace code of conduct, and then to disclose the results of those audits to their stakeholders and members.

4. LOCAL SKILLS AND SERVICES DEVELOPMENT

PRICE integrates local communities into CSR by including them in the development process. This is accomplished by facilitating linkages through and between actors in the value chain at all levels. Strengthening the linkages leads to strengthened local businesses and services providers. This approach helps to attain long lasting growth across the sectors.

Increasing the skills of PRICE's beneficiaries is also important for successful activities. PRICE conducts and supports many workshops, demonstrations, and other activities that have the end result of improving the skills of the participants at all levels of the value chains. PRICE often supports a TOT model whereby skills can be transferred from the original participant to others in both a formal and informal manner. PRICE makes a concerted effort to include women and other diverse participants in its trainings and requests the same of its partner organizations.

In the leather sector, PRICE works with several organizations to provide specialized training that often results in the training participants gaining enough skills and knowledge to be able to gain a sector job at the conclusion of the training. PRICE also conducts a campaign each year focusing on proper flaying techniques that reaches a large number of people through mosques and other outreach.

5. IMPROVED LABOR PRACTICES

PRICE abides by and promotes adherence to all current Bangladeshi labor laws. PRICE provides benefits to its staff that are above what is required by local law, and encourages other organizations to, at a minimum, meet local law.

Recently PRICE worked with shrimp processing plants to facilitate a training for 339 employees, managers, and owners on labor law and work place practices. Some of the primary topics included:

- Types of documentation required from an employer to an employee in regards to hiring. For example, an employee should receive an appointment letter detailing their job description and benefits as well as an identity card from the hiring organization. These papers give employees a sense of security about their position and essentially create a contract between the employer and employee.
- Promoting maximum and minimum ages for employment that comply with local law and are socially responsible.
- Wages – minimum wages that employees are entitled to receive from their employer for work.
- Work hours – standard work hours for employees.
- Overtime – entitlement to overtime, and circumstances in which it could be applied.
- Leave – different type of leave required, such as sick, casual, vacation, and maternity leave.
- Severance benefits and rights.

Based on this training and its promotion of employee rights, improved working conditions, and environmental sustainability, production of shrimp in processing plants has improved.

PRICE, in collaboration with the Bangladesh Shrimp and Fish Foundation (BSFF), recently attended a fair that promoted International Labor Day. At this fair, PRICE set up a stall and provided materials that informed attendees of the Bangladesh Labor Law of 2006. The law specifically targets improving conditions in shrimp processing plants.

6. GOOD AGRICULTURE PRACTICES

As part of its' CSR strategy, PRICE consistently models and promotes good practices in both aquaculture and horticulture. One of the main pillars of good agriculture practices PRICE supports is environmental responsibility. PRICE staff and partners ensure adherence to environmental regulations is at the forefront of any intervention. This includes conserving soil fertility, preventing depletion of the water table, and preserving the water quality of ponds and other water bodies.

PRICE also works closely with its partners to promote correct application techniques for medicine and insecticides. This ensures not only the safety of the consumers, but also of the farm laborers, the environment, and the local communities.

7. CONCLUSION

PRICE's strategy for corporate responsibility spans across all sectors of the project and takes a holistic approach with its partners, beneficiaries, and communities in

which it works. During each activity, PRICE looks for ways to model and promote ethical behavior, good workplace practices, and environmental responsibility.